

599 - O. C. SPECIAL FINANCING AUTHORITY DEBT SERVICE

Operational Summary

Description:

To make timely debt service payments on the 1995 Orange County Special Financing Authority Teeter Plan Revenue Bonds and to transfer surplus revenues to County General Fund 100 Agency 016 as provided for in the Second Amended Modified Plan of Adjustment. The surplus transfer to Agency 016 ended in FY 2000-2001, future surplus transfers will be made to Fund 100, Agency 100.

In 1995 the Orange County Special Financing Authority issued \$155,000,000 of revenue backed bonds: Series A (taxable) \$32,375,000; Series B, \$20,625,000; Series C, \$34,000,000; Series D, \$34,000,000; and Series E, \$34,000,000. The proceeds of the bonds were used to pay the holders of the County's 1994-95 Teeter Notes and to fund an on-going Teeter Program.

The use of long term bonds to fund the Teeter Program is unique to Orange County and is authorized by special State statute. The Teeter program is an alternate secured property tax distribution plan. Normally the secured property taxes actually collected by a County are distributed to taxing agen-

cies (e.g. school districts), resulting in less than 100% of the tax levy being distributed because of delinquencies. Under the Teeter Plan, the County distributes 100% of the levy to the taxing agencies and in exchange receives the right to keep the delinquent taxes, penalties and interest.

The Orange County Special Financing Authority was set up in 1995 to administer the Teeter Plan in Orange County. The penalties and interest collected on tax defaulted properties provide the revenue to pay the debt service on the Teeter Bonds and, if available, surplus revenue is released to the County General Fund. The Board of Directors of the Authority are the members of the Orange County Board of Supervisors.

As of November 30, 2003, \$123,725,000 in principal was outstanding from all five series. The Teeter Bonds will be paid off in 2014.

At a Glance:

| | |
|---|------------|
| Total FY 2003-2004 Projected Expend + Encumb: | 41,914,371 |
| Total Recommended FY 2004-2005 Budget: | 73,265,260 |
| Percent of County General Fund: | N/A |
| Total Employees: | 0.00 |

Strategic Goals:

- Make timely debt service payments and provide surplus revenue for the bankruptcy recovery as contemplated in the County's Second Amended Modified Plan of Adjustment.

FY 2003-2004 Key Project Accomplishments:

- Made timely debt service payments.

Budget Summary

Make annual transfers of surplus cash to the General Fund.

Plan for Support of the County's Strategic Priorities:

Proposed Budget and History:

| Sources and Uses | FY 2002-2003 Actual | FY 2003-2004 Budget As of 3/31/04 | FY 2003-2004 Projected ⁽¹⁾ At 6/30/04 | FY 2004-2005 Recommended | Change from FY 2003-2004 Projected | |
|--------------------|------------------------|---|--|-----------------------------|---------------------------------------|---------|
| | | | | | Amount | Percent |
| Total Revenues | 170,427,311 | 170,190,637 | 170,990,637 | 73,265,260 | (97,725,377) | -57.15 |
| Total Requirements | 45,236,674 | 170,190,637 | 163,729,611 | 73,265,260 | (90,464,351) | -55.25 |
| Balance | 125,190,637 | 0 | 7,261,026 | 0 | (7,261,026) | -100.00 |

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: O. C. Special Financing Authority Debt Service in the Appendix on page 695.

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Summary of Proposed Budget by Revenue and Expense Category:

| Revenues/Appropriations | FY 2002-2003 | | FY 2003-2004 | | FY 2003-2004 | | FY 2004-2005 | | Change from FY 2003-2004 | |
|--|--------------|--------------------|-------------------------|--------------------|--|--------------------|--------------|-------------------|----------------------------------|----------------------------------|
| | Actual | | Budget As of 3/31/04 | | Projected ⁽¹⁾ At 6/30/04 | | Recommended | | Projected Amount Percent | |
| Fines, Forfeitures & Penalties | \$ | 42,560,637 | \$ | 40,000,000 | \$ | 42,600,000 | \$ | 42,500,000 | \$ | (100,000) -0.23% |
| Revenue From Use Of Money And Property | | 3,298,544 | | 5,000,000 | | 3,200,000 | | 3,200,000 | | 0 0.00 |
| Total FBA | | 124,568,130 | | 125,190,637 | | 125,190,637 | | 7,261,026 | | (117,929,611) -94.20 |
| Reserves | | 0 | | 0 | | 0 | | 20,304,234 | | 20,304,234 0.00 |
| Total Revenues | | 170,427,311 | | 170,190,637 | | 170,990,637 | | 73,265,260 | | (97,725,377) -57.15 |
| Services & Supplies | | 33,142,639 | | 35,275,397 | | 32,455,765 | | 60,665,260 | | 28,209,495 86.92 |
| Other Charges | | 12,094,035 | | 13,100,000 | | 9,458,606 | | 12,600,000 | | 3,141,394 33.21 |
| Reserves | | 0 | | 121,815,240 | | 121,815,240 | | 0 | | (121,815,240) -100.00 |
| Total Requirements | | 45,236,674 | | 170,190,637 | | 163,729,611 | | 73,265,260 | | (90,464,351) -55.25 |
| Balance | \$ | 125,190,637 | \$ | 0 | \$ | 7,261,026 | \$ | 0 | \$ | (7,261,026) -100.00% |

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).